

**REGULATION OF BANK INDONESIA
NUMBER: 12/ 3 /PBI/2010
CONCERNING
THE APPLICATION OF ANTI-MONEY LAUNDERING AND
PREVENTION OF TERRORISM FINANCING PROGRAMS FOR NON-
BANK FOREIGN EXCHANGE TRADERS**

BY THE GRACE OF THE ONE ALMIGHTY GOD

THE GOVERNOR OF BANK INDONESIA,

- Considering :
- a. whereas it is necessary to balance the increase in risks faced by non-bank foreign exchange traders by the improvement of the quality of the application of anti-money laundering and prevention of terrorism financing;
 - b. whereas the application of anti-money laundering and prevention of terrorism financing programs need to refer to the internationally applicable general principles;
 - c. whereas it is necessary to improve the currently applicable provisions of the application of Know Your Customer Principle;
 - d. whereas based on the consideration as referred to in the abovementioned points a, b, c, it is deemed necessary to regulate the provisions of the implementation of anti-money laundering and prevention of terrorism financing programs for non-bank foreign exchange traders in a Regulation of Bank Indonesia;

- In view of : 1. Law Number 7 Year 1992 concerning Banking System (State Gazette of the Republic of Indonesia Year 1992 Number 31; Supplement to State Gazette of the Republic of Indonesia Number 3472), as amended with Law Number 10 Year 1998 (State Gazette of the Republic of Indonesia Year 1998 Number 182; Supplement to State Gazette of the Republic of Indonesia Number 3790);
2. Law Number 23 Year 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Year 1999 Number 66; Supplement to State Gazette of the Republic of Indonesia Number 3843), as most recently amended with Law Number 6 Year 2009 concerning the stipulation of Government Regulation in lieu of Law Number 2 Year 2008 concerning the Second Amendment to Law Number 23 Year 1999 concerning Bank Indonesia to a Law (State Gazette of the Republic of Indonesia Year 2009 Number 7; Supplement to State Gazette of the Republic of Indonesia Number 4962);
3. Law Number 24 Year 1999 concerning Foreign Exchange Trading and Exchange Rate System (State Gazette of the Republic of Indonesia Year 1999 Number 67; Supplement to State Gazette of the Republic of Indonesia Number 3844);
4. Law Number 15 Year 2002 concerning Criminal Acts of Money Laundering (State Gazette of the Republic of Indonesia Year 2002 Number 30; Supplement to State Gazette of the Republic of Indonesia Number 4191) as amended with Law Number 25 Year 2003 (State Gazette of the Republic of Indonesia Year 2003 Number 108; Supplement to State Gazette of the Republic of Indonesia Number 4324);

5. Law Number 15 Year 2003 concerning Stipulation of Government Regulation in Lieu of Law Number 1 Year 2002 concerning the Eradication of Criminal Acts of Terrorism to a Law (State Gazette of the Republic of Indonesia Year 2003 Number 45 and Supplement to State Gazette Number 4284);

HAS DECIDED :

To Stipulate : REGULATION OF BANK INDONESIA CONCERNING THE APPLICATION OF ANTI-MONEY LAUNDERING AND PREVENTION OF TERRORISM FINANCING PROGRAMS FOR NON-BANK FOREIGN EXCHANGE TRADERS;

CHAPTER I GENERAL PROVISIONS

Article 1

Referred to herein as:

1. Non-Bank Foreign Exchange Traders, hereinafter referred to as Non-Bank PVAs shall be Non-Bank PVAs as referred to in the Regulation of Bank Indonesia which regulates foreign exchange traders.
2. Money Laundering shall be money laundering as referred to in the Law which regulates criminal acts of money laundering.
3. Terrorism Financing shall be direct or indirect use of assets for terrorism activities.
4. Clients shall be parties conducting transaction with and/or using the services of Non-Bank PVAs.
5. *Customer Due Diligence*, hereinafter referred to as CDD shall be activities in the form of identification, verification and updating of information

conducted by Non-Bank PVAs for ensuring that the aforementioned transaction fits the Customer's profile.

6. *Enhanced Due Diligence*, hereinafter referred to as EDD shall be a more comprehensive CDD action conducted by Non-Bank PVAs when performing transactions with and/or providing services to Clients classified as high-risk clients, including politically exposed persons, against the possibility of money laundering and terrorism financing.
7. Suspicious Transactions shall be suspicious transactions as intended in the Law which regulates criminal act of money laundering.
8. Cash Financial Transactions shall be financial transactions conducted in cash as intended in the Law which regulates criminal act of money laundering.
9. Indonesian Financial Transaction Reports and Analysis Center (PPATK), hereinafter referred to as PPATK shall be PPATK as intended in the Law which regulates criminal acts of money laundering.
10. Anti-Money Laundering and Prevention of Terrorism Financing, hereinafter referred to as APU and PPT shall be efforts for preventing and eradicating criminal act of money laundering and terrorism financing.
11. Beneficial Owner shall be any person having funds, controlling clients' transactions, authorizing a transaction and/or controlling through legal entities or by virtue of an agreement.
12. *Politically Exposed Persons*, hereinafter referred to as PEP shall be persons who are entrusted to hold a public authority, among others, State Administrators as intended in the laws and regulations which regulate state administrators, and/or persons registered as members of political parties and have influences on the policies and operation of such political parties, both Indonesians and foreign citizens.
13. Board of Directors shall be the Board of Directors as intended in the Law which regulates limited liability companies.
14. Board of Commissioners shall be the Board of Commissioners as intended in the Law which regulates limited liability companies.

CHAPTER II
ANTI-MONEY LAUNDERING AND PREVENTION OF TERRORISM
FINANCING PROGRAMS

Article 2

- (1) Non-Bank PVAs shall be obligated to apply the APU and PPT programs.
- (2) In the application of the APU and PPT programs, Non-Bank PVAs shall be obligated to refer to the provisions stipulated herein.
- (3) The application of the APU and PPT programs by Non-Bank PVAs shall become the responsibility of the Board of Commissioners and Board of Directors.

Article 3

The application of the APU and PPT programs as intended in Article 2 paragraph (1) shall at least include the following:

- a. the responsibility of the Board of Directors and active supervision of the Board of Commissioners;
- b. policies and procedures;
- c. internal control; and
- d. human resources

CHAPTER III
RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND ACTIVE
SUPERVISION OF BOARD OF COMMISSIONERS

Article 4

Responsibilities of the Board of Directors of Non-Bank PVAs in the application of the APU and PPT programs shall at least include the following:

- a. to stipulate written policies and procedures for the application of APU and PPT programs based on the approval of the Board of Commissioners;
- b. to ensure that the APU and PPT programs are applied in accordance with the stipulated written procedures;
- c. to make adjustments to the written policies and procedures concerning the APU and PPT programs in line with the changes in applicable provisions with regard to the application of the APU and PPT programs;
- d. to report Suspicious Transactions and Cash Financial Transactions to the PPATK;
- e. to ensure that all officers have obtained knowledge and/or training concerning the application of the APU and PPT programs; and;
- f. to update clients' profile and clients' transaction profiles.

Article 5

The active supervision of the Board of Commissioners of Non-Bank PVAs in the application of APU and PPT programs shall at least include the following:

- a. to grant approval on the policies of the implementation of APU and PPT programs;
- b. to supervise the implementation of responsibilities of the Board of Directors with regard to the application of the APU and PPT programs.

CHAPTER IV POLICIES AND PROCEDURES

Article 6

- (1) In the application of the APU and PPT programs, Non-Bank PVAs shall be obligated to own written policies and procedures which at least include the following:
 - a. CDD implementation;
 - b. Beneficial Owner;
 - c. EDD implementation;
 - d. refusal of transaction;
 - e. updating of information and documents;
 - f. administration of documents; and
 - g. reporting to the PPATK.
- (2) Non-Bank PVAs shall be obligated to adopt the written policies and procedures as intended in paragraph (1).

Section One CDD Implementation

Article 7

Non-Bank PVAs shall be obligated to perform the CDD as intended in Article 6 paragraph (1) when:

- a. conducting transactions with and/or providing services to the Clients and/or Beneficial Owners; or
- b. doubting the information provided by the Clients and/or Beneficial Owners;

Article 8

- (1) In the event that a Non-Bank PVA conducts transactions with and/or provides services to a Client, such Non-Bank PVA shall be obligated to inquire and verify the information on the Client with supporting documents containing the information on the Client concerned.
- (2) Non-Bank PVAs shall be obligated to obtain information on whether a Client is acting for his/her own behalf or for and on behalf of the Beneficial Owners.
- (3) For Clients who conduct transactions with and/or use services with a value of less than Rp100,000,000.00 (one hundred million rupiah) or an equivalent value in a foreign currency, the information as intended in paragraph (1) shall at least include the following:
 - a. for individual Client:
 1. identity of the Client, consisting of:
 - a) full name including the alias, if any;
 - b) identity document number proven by showing the document concerned; and
 - c) residential address set out in the identity card;
 2. information on the Beneficial Owner, if the Client represents a Beneficial Owner, and
 3. value and date of the transaction;
 - b. for Client other than individual Clients:
 1. name of business entity;
 2. number of the business permit issued by the competent agency;
 3. domicile address of the business entity;
 4. information on the Beneficial Owner, if the Client represents a Beneficial Owner; and
 5. value and date of the transaction.

- (4) For Clients who conduct transactions and/or use services with a value of Rp 100,000,000.00 (one hundred million rupiah) or more or an equivalent value in a foreign currency in 1 (one) or several transactions in (1) business day, the information as intended in paragraph (1) shall at least include the following:
- a. For individual Client:
 - 1. identity of the Client, consisting of:
 - a) full name including the alias, if any;
 - b) identity document number proven by showing the document concerned;
 - c) residential address set out in the identity card;
 - d) current residential address including telephone number, if any;
 - e) place and date of birth;
 - f) citizenship;
 - g) occupation;
 - h) sex; and
 - i) Taxpayer Registration Number (NPWP), if any;
 - 2. information on the Beneficial Owner, if the Client represents a Beneficial Owner;
 - 3. value and date of the transaction;
 - 4. purposes and objectives of the transactions and/or the use of services; and
 - 5. other information which enables the Non-Bank PVAs to recognize the Client's profile;
 - b. for Client other than individual Clients:
 - 1. name of the business entity;
 - 2. number of the business permit issued by the competent agency;

3. Taxpayer Registration Number (NPWP) of the business entity;
4. domicile address of the business entity;
5. type or line of business;
6. information on the Beneficial Owner, if the Client represents a Beneficial Owner;
7. value and date of the transaction;
8. purposes and objectives of the transactions and/or the business relations; and
9. other information which enables the Non-Bank PVAs to recognize the Client's profile.

Section Two Beneficial Owner

Article 9

In the event that a Non-Bank PVA conducts transactions with and/or provides services to a Client representing a Beneficial Owner, the Non-Bank PVA shall be obligated to apply the CDD to the Beneficial Owner which is equally strict as the CDD procedures for Clients representing a Beneficial Owner.

Article 10

- (1) Information on the Beneficial Owner as intended in Article 8 paragraph (3) sub-paragraph a point 2 and sub-paragraph b point 4 shall at least include the following:
 - a. for individual Beneficial Owner:
 1. identity of the Beneficial Owner, consisting of:
 - a) full name including the alias, if any;

- b) identity document number proven by showing the document concerned; and
 - c) residential address set out in the identity card;
 - 2. legal relationship between the Client and the Beneficial Owner proven by an assignment letter, agreement, power of attorney or any other form of documents;
 - b. for Beneficial Owner other than individual Beneficial Owner:
 - 1. name of business entity;
 - 2. number of the business permit issued by an competent agency;
 - 3. address of domicile of the business entity; and
 - 4. legal relationship between the Client and the Beneficial Owner proven by an assignment letter, agreement, power of attorney or any other form of documents.
- (2) Information on the Beneficial Owner *as* intended in Article 8 paragraph (4) sub-paragraph a point 2 and sub-paragraph b point 6 shall at least include the following:
- a. for individual Beneficial Owner:
 - 1. identity of the Beneficial Owner, consisting of:
 - a) full name including the alias, if any;
 - b) identity document number proven by showing the document concerned;
 - c) residential address set out in the identity card;
 - d) most recent residential address including telephone number, if any;
 - e) place and date of birth;
 - f) citizenship;
 - g) occupation;
 - h) sex; and
 - i) Taxpayer Registration Number (NPWP), if any;

2. purposes and objectives of the transactions and/or use of services; and
 3. legal relationship between the Client and the Beneficial Owner proven by an assignment letter, agreement, power of attorney or any other form of documents;
- b. for Beneficial Owner other than individual Beneficial Owner:
1. name of business entity;
 2. number of the business permit issued by an competent agency;
 3. Taxpayer Registration Number (NPWP) of the business entity;
 4. domicile address of the business entity;
 5. type or line of business;
 6. purposes and objectives of the transactions and/or use of services; and
 7. legal relationship between the Client and the Beneficial Owner shown by an assignment letter, agreement, power of attorney or any other form of documents.

Section Three

EDD Implementation

Article 11

Non-Bank PVAs shall be obligated to perform the EDD as intended in Article 6 paragraph (1) when:

- a. conducting transactions with and/or providing services to the Clients and/or Beneficial Owner classified into high-risk category, including PEP; or
- b. there are unusual transactions alleged to be related to money laundering and/or terrorism financing.

Article 12

- (1) Non-Bank PVAs shall be obligated to inquire whether a Customer and/or Beneficial Owner have met the criteria as a Customer and/or Beneficial Owner classified into high-risk category, including PEP.
- (2) In the event that the Customer and/or Beneficial Owner is classified into high-risk category and included as a PEP as intended in paragraph (1), Non-Bank PVAs shall be obligated to conduct an EDD which shall at least include the following:
 - a. information on the Client and/or Beneficial Owner as intended in Articles 8 and 10;
 - b. sources of fund;
 - c. purposes and objectives of the transactions;
 - d. appropriateness of the transaction profile; and
 - e. other information on the business relationship with parties related to the Client or Beneficial Owner.
- (3) In the event that a Non-Bank PVA conducts a transaction with a Client classified into PEP, the Board of Directors shall be directly responsible for the application of APU and PPT programs with the Client concerned.

Section Four

Refusal of Transaction

Article 13

Non-Bank PVAs shall be obligated to refuse to conduct transactions with and/or provide services to a Client in the event that the Client:

- a. fails to meet the information requirement as intended in Articles 8, 10 and 12; and/or
- b. known to having used a false identity and/or provided inaccurate information.

Section Five

Updating of Information and Documents

Article 14

- (1) Non-Bank PVAs shall update and administer the information and documents of its clients as intended in Articles 8, 10 and 12.
- (2) The updating of information as intended in paragraph (1) shall be conducted by monitoring the information and documents of the Clients.

Section Six

Administration of Documents

Article 15

Non-Bank PVAs shall be obligated to administer:

- a. the documents related to the information on a Client and Beneficial Owner for a minimum period of 5 (five) years as of the end of the transaction with and/or provision of services to the Clients;
- b. the Client and Beneficial Owner's documents related to the financial transactions for a period of time as regulated in the Law regulating on corporate documents;

Section Seven
Reporting to the PPATK

Article 16

- (1) Non-Bank PVAs shall be obligated to submit Suspicious Transaction report, Cash Financial Transaction report, and other reports to the PPATK as regulated in the Law regulating on the criminal act of money laundering.
- (2) The obligation of the Non-Bank PVAs to report the Suspicious Transactions shall also be applicable for alleged transactions related to terrorism activities and/or terrorism financing.
- (3) The submission of reports as intended in paragraph (1) shall be performed by referring to the provisions issued by the PPATK.

CHAPTER V
INTERNAL CONTROL

Article 17

The Board of Directors shall be obligated to apply an internal control function with regard to the application of APU and PPT programs.

CHAPTER VI
HUMAN RESOURCES

Article 18

Non-Bank PVAs shall be obligated to provide knowledge and/or training on a continuous basis with regard to the application of APU and PPT programs for all employees.

CHAPTER VII SUPERVISION BY BANK INDONESIA

Article 19

- (1) Non-Bank PVAs shall be obligated to submit the policies and procedures for the application of the APU and PPT programs as intended in Article 6 to Bank Indonesia by no later than 30 (thirty) calendar days as of the issuance of the business permit as a Non-Bank PVA.
- (2) Bank Indonesia shall supervise the application of the APU and PPT programs by the Non-Bank PVAs.

CHAPTER VIII SANCTIONS

Article 20

- (1) Bank Indonesia shall impose a special warning sanction in the event that a Non-Bank PVA fails to implement its obligations as intended in Articles 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, and Article 19 paragraph (1) and/or Article 21.
- (2) Bank Indonesia shall impose a sanction in the form of revocation of business permit in the event that a Non-Bank PVA fails to follow up the sanction as intended in paragraph (1) by no later than 6 (six) months as of the issuance of the aforementioned special warning sanction.

CHAPTER IX TRANSITIONAL PROVISIONS

Article 21

Non-Bank PVAs that have owned the Guidelines for the Implementation of the Application of Know Your Customer Principles shall be obligated to adjust it to become Policies and Procedures for the Application of APU and PPT programs and submit the guidelines concerned to Bank Indonesia by no later than 12 (twelve) months as of the coming into effect hereof.

CHAPTER X CLOSING PROVISIONS

Article 22

Further provisions concerning the Application of Anti-Money Laundering and Prevention of Terrorism Financing Program for Non-Bank PVAs shall be regulated further in a Circular Letter of Bank Indonesia.

Article 23

With the coming into effect hereof, Articles 40, 41, and 42 of Regulation of Bank Indonesia Number 9/11/PBI/2007 concerning Foreign Exchange Traders (State Gazette of the Republic of Indonesia Year 2007 Number 118, Supplement to State Gazette of the Republic of Indonesia Number 4764) shall be revoked and declared invalid.

Article 24

Provisions concerning the imposition of sanctions as intended in Article 20 shall be put into effect in 12 (twelve) months as of the stipulation hereof.

Article 25

This Regulation of Bank Indonesia shall come into effect as of its stipulation date.

For public cognizance, hereby ordering the promulgation of this Regulation of Bank Indonesia by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

on March 1, 2010

Acting Official for the GOVERNOR OF BANK INDONESIA,

DARMIN NASUTION

Promulgated in : Jakarta

On : March 1, 2010

THE MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2010
NUMBER 46

DPM

**ELUCIDATION OF
REGULATION OF BANK INDONESIA
NUMBER: 12/ 3 /PBI/2010
CONCERNING
THE APPLICATION OF ANTI-MONEY LAUNDERING AND
PREVENTION OF TERRORISM FUNDING PROGRAMS FOR NON-BANK
FOREIGN EXCHANGE TRADERS**

I. GENERAL

In line with the increasingly rampant criminal acts of money laundering and terrorism funding which utilizes financial institutions, cooperation and attention of various parties in the prevention and eradication of the aforementioned criminal acts are needed. There are more variety of methods and means used to commit criminal act of money laundering in line with the development of products, activities and information technologies of financial service providers. Such conditions have provided chances for criminal perpetrators to abuse the facilities and products of financial service providers to facilitate their criminal acts.

As one of financial service providers besides banks, Non-Bank Foreign Exchange Traders are also subject to the abuse performed by the perpetrators of criminal act of money laundering. In this matter, the role and cooperation of all business actors in the non-bank foreign exchange traders industry are required to support the law enforcement in the implementation of anti-money laundering and prevention of terrorism funding programs.

In applying the anti-money laundering and prevention of terrorism funding programs, similar with the banking sector, the non-bank foreign exchange traders industry also refers to the international standards as recommended by the Financial Action Task Force on Money Laundering (FATF) known as the 40+9 Recommendation of FATF. Such recommendations also serve as references for international communities in assessing the compliance of a state with the

implementation of anti-money laundering and prevention of terrorism financing programs.

It is deemed necessary to adjust the current provisions of Bank Indonesia concerning the Application of Know Your Customer Principles by referring to a more comprehensive international standard in supporting the efforts of preventing criminal act of money laundering and preventing terrorism financing. The aforementioned adjustment of regulations covers among other things:

- a. the use of the “Customer Due Diligence” term in the identification, verification and monitoring of clients;
- b. the use of the “Enhanced Due Diligence” term in the identification, verification and monitoring of high-risk clients;
- c. requirement of information and supporting documents from Beneficial Owners;
- d. regulation on the prevention of terrorism financing.

As the result of an effective application of anti-money laundering and prevention of terrorism financing programs by non-bank foreign exchange traders, it is expected that non-bank foreign exchange traders can operate in a fair manner which will eventually improve the financial system stability.

II. ARTICLE BY ARTICLE

Article 1

Self Explanatory

Article 2

Self Explanatory.

Article 3

Self Explanatory

Article 4

Sub-article a

Self Explanatory

Sub-article b

The application of APU and PPT programs shall be implemented both in the central office and branch offices of Non-Bank Foreign Exchange Traders in accordance with the stipulated policies and procedures.

In the context of applying the APU and PPT programs, the Board of Directors may appoint the employees of the Non-Bank Foreign Exchange Traders to handle the application of the APU and PPT programs.

Sub-article c

Self Explanatory.

Sub-article d

Self Explanatory.

Sub-article e

Self Explanatory.

Sub-article f

Self Explanatory.

Article 5

Self Explanatory

Article 6

Self Explanatory.

Article 7

Self Explanatory.

Article 8

Paragraph (1)

Self Explanatory.

Paragraph (2)

Self Explanatory.

Paragraph (3)

Sub-paragraph a

Self Explanatory

Sub-paragraph b

Point 1

Self Explanatory.

Point 2

Business permit shall include other permits deemed equal with the business permit issued by the competent agency.

Point 3

Self Explanatory.

Point 4

Self Explanatory.

Point 5

Self Explanatory.

Paragraph (4)

Sub-paragraph a

Point 1

Item a)

Self Explanatory.

Item b)

Self Explanatory.

Item c)

Self Explanatory.

Item d)

This information shall be required for individual Clients having different residential address from the address stated in the identity card.

Item e)

Self Explanatory.

Item f)

Self Explanatory.

Item g)

Information on occupation shall include the name of the company/ institution.

Item h)

Self Explanatory.

Item i)

Self Explanatory.

Point 2

Self Explanatory.

Point 3

Self Explanatory.

Point 4

Self Explanatory.

Point 5

Self Explanatory.

Sub-paragraph b

Point 1

Self Explanatory.

Point 2

Business permit shall include other permits deemed equal with the business permit issued by the competent agency.

Point 3

Self Explanatory.

Point 4

Self Explanatory.

Point 5

Self Explanatory.

Point 6

Self Explanatory.

Point 7

Self Explanatory.

Point 8

Self Explanatory.

Point 9

Self Explanatory.

Article 9

Self Explanatory.

Article 10

Paragraph (1)

Sub-paragraph a

Self Explanatory

Sub-paragraph b

Point 1

Self Explanatory.

Point 2

Business permit shall include other permits deemed equal with the business permit issued by the competent agency.

Point 3

Self Explanatory.

Point 4

Self Explanatory.

Paragraph (2)

Sub-paragraph a

Point 1

Item a)

Self Explanatory.

Item b)

Self Explanatory.

Item c)

Self Explanatory.

Item d)

This information shall be required for individual Clients having different residential address from the address stated in the identity card.

Item e)

Self Explanatory.

Item f)

Self Explanatory.

Item g)

Information on occupation shall include the name of the company/ institution.

Item h)

Self Explanatory.

Item i)

Self Explanatory.

Point 2

Self Explanatory.

Point 3

Self Explanatory.

Sub-paragraph b

Point 1

Self Explanatory.

Point 2

Business permit shall include other permits deemed equal with the business permit issued by the competent agency.

Point 3

Self Explanatory.

Point 4

Self Explanatory.

Point 5

Self Explanatory.

Point 6

Self Explanatory.

Point 7

Self Explanatory.

Article 11

Sub-article a

The determination of high-risk category shall be made by referring to the provisions of the PPATK regulating the guidance on the identification of high-risk products, clients, business, and state for financial service providers and guidance for financial service

providers on the identification of suspicious transactions in connection with terrorism financing.

In accordance with the PPATK guidance, Parties considered as high-risk Clients shall consists of:

1. Politically Exposed Persons/"PEP". Examples of PEP are:
 - a. Heads of State or Heads of Government;
 - b. Officials assuming equal positions with Ministers;
 - c. Senior Executive Officers of State Companies;
 - d. Directors of State-Owned Enterprises;
 - e. Executive Officers and chairpersons of political parties;
 - f. Senior officials of the national military and/or the national police;
 - g. Senior Officials within the purviews of the Supreme Court and Attorney General Office;
 - h. Officials appointed by virtue of a Presidential Decree;
 - i. Family members (spouse, parents, siblings, children, children-in-law, grandchildren) of the above-mentioned categories; and;
 - j. Any person who does not belong to the abovementioned categories but due to his/her high status in the society, his significant influence, celebrity status and/or combination of his/her position may place financial service providers in a risky position must be categorized as high-risk clients.
2. Officers of government agencies related to public services.
3. Persons living and/or having funds derived from countries identified by reliable sources as countries with insufficient anti-money laundering standard or representing high-level criminal acts and corruption.

4. Persons involved in types of activities of business sectors vulnerable to money laundering, such as officers of the financial service providers.
5. Persons mentioned in the lists issued by the United Nations or other lists issued by international organizations as terrorists, terrorist organizations or organizations financing or gathering funds for terrorism activities.

Sub-article b

The definition of “unreasonable transactions” shall be transactions meeting one of the criteria of suspicious transaction but still requiring further research to make sure whether such transactions are categorized as suspicious transactions that must to be reported to the PPATK.

Article 12

Paragraph (1)

Clients and Beneficial Owners meeting the high-risk or PEP criteria shall be listed in a separate list.

Paragraph (2)

Sub-paragraph a

Self Explanatory.

Sub-paragraph b

Self Explanatory.

Sub-paragraph c

Self Explanatory.

Sub-paragraph d

The appropriateness of transaction profiles may be identified if the transactions conducted are quite apparent to be deviant from the profile, characteristic, or usual pattern of the relevant Client’s transactions.

Sub-paragraph e

The definition of related parties shall be, among other things, companies owned or managed by the PEP, family of the PEP and/or parties generally known by the public as having a close relationship with the PEP concerned.

Paragraph (3)

Self Explanatory.

Article 13

Self Explanatory.

Article 14

Self Explanatory.

Article 15

Sub-article a

Documents can be administered in the form of their originals, copies, electronic forms, microfilm, or documents that can be used as evidence under the applicable law.

Sub-article b

The documents administered shall at least include the identity of individual and non-individual Clients and the information on transactions.

The information on transactions as intended above shall at least include the type and number of currencies used, date of transaction order, source of fund, as well as the purposes and objectives of the transaction.

Article 16

Paragraph (1)

As regulated in the provisions issued by the PPATK, suspicious transactions principally contain the following elements:

1. Transactions which are inconsistent from the profile, characteristic or usual transaction pattern of the Customer concerned;
2. Transactions which should be reasonably alleged of being performed to avoid the reporting obligated to be made by Non-Bank PVAs;
3. Financial transactions conducted or cancelled to be conducted by using assets alleged to have been derived from the proceeds of criminal acts;

If a financial transaction meets one or more of the aforementioned elements, the Non-Bank PVAs shall be obligated to determine such transaction as a Suspicious Transaction and report it to the PPATK. The report on the suspicious transaction shall be submitted to the PPATK by using a form and in a period in accordance with the provisions of the PPATK.

As regulated in the provisions issued by the PPATK, Cash Financial Transactions that must be reported by Non-Bank PVAs to the PPATK shall be those meeting the following criteria:

- a. constitute a receipt or payment by using cash money (notes and/or coins);
- b. have a cumulative amount of Rp500,000,000.00 (five hundred million Rupiah) or more in a foreign currency with equal value; and
- c. is conducted in one or several transactions in 1 (one) business day at 1 (one) or more offices of the Non-Bank PVAs.

The Reporting of Cash Financial Transaction shall be submitted to the PPATK by using the form and in the period in accordance with the provisions of the PPATK.

Paragraph (2)

Self Explanatory.

Paragraph (3)

Self Explanatory.

Article 17

Internal control function in the application of the APU and PPT programs shall include the verification of the implementation of all policies and procedures of APU and PPT, among other things:

1. verification on the completeness of the Clients' information and transaction documents;
2. submission of the Cash Financial Transactions and Suspicious Transactions to the PPATK.

Article 18

Self Explanatory.

Article 19

Self Explanatory.

Article 20

Self Explanatory.

Article 21

Self Explanatory.

Article 22

Self Explanatory.

Article 23

Self Explanatory.

Article 24

Self Explanatory.

Article 25

Self Explanatory.

SUPPLEMENT TO STATE GAZETTE OF THE REPUBLIC OF
INDONESIA NUMBER 5118